Where do private providers fit?

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Quality through Diversity
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Overview

- Context – NCVER funded projects
  - HE in TAFE project
  - Now looking at universities that offer a bit of VET, and private providers that offer VET & HE
    - Our guess – sectoral divide means little in private providers, but still a constraint
- What do the sectors look like now & where do private providers fit?
- Pressure on the sectoral divide
- New type of institution emerging
- Emergence of dual-sector or mixed-sector providers
- Impact of sectoral divide on public & private providers
- What is needed to support private dual-sector & mixed-sector providers
- Project research questions
### Percentage of sector by private providers

<table>
<thead>
<tr>
<th>Year</th>
<th>VET public $ students training equivalents</th>
<th>All HE EFTSL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>12.50%</td>
<td>2.59%</td>
</tr>
<tr>
<td>2007</td>
<td>12.08%</td>
<td>4.80%</td>
</tr>
<tr>
<td>2008</td>
<td>13.92%</td>
<td>5.69%</td>
</tr>
<tr>
<td>2009</td>
<td>14.59%</td>
<td>n/a</td>
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</tbody>
</table>

*Table 1: Private providers’ share of the VET system by publicly funded training equivalent & all HE by effective full-time student load*
## Rate of growth in public & private providers

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</thead>
<tbody>
<tr>
<td>TAFE public $ training equivalents</td>
<td>3.72%</td>
<td>1.32%</td>
<td>5.43%</td>
<td>11.13%</td>
</tr>
<tr>
<td>Private VET provider public $ training equivalents</td>
<td>0.57%</td>
<td>19.15%</td>
<td>10.48%</td>
<td>33.86%</td>
</tr>
<tr>
<td>Public universities EFTSL</td>
<td>2.50%</td>
<td>3.4%</td>
<td>n/a</td>
<td>6.03%</td>
</tr>
<tr>
<td>Private HE EFTSL</td>
<td>94.95%</td>
<td>23.74%</td>
<td>n/a</td>
<td>141.22%</td>
</tr>
</tbody>
</table>

Table 2: growth in public and private VET by publicly funded training equivalents & public and private HE providers by effective fulltime student load
Onshore overseas students

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>HE share of O/S</td>
<td>44.65%</td>
<td>38.74%</td>
<td>33.53%</td>
<td>32.14%</td>
</tr>
<tr>
<td>VET share of O/S</td>
<td>21.72%</td>
<td>26.60%</td>
<td>32.25%</td>
<td>36.79%</td>
</tr>
<tr>
<td>Of all VET, O/S private provider share</td>
<td>73.83%</td>
<td>75.13%</td>
<td>76.81%</td>
<td>81.76%</td>
</tr>
<tr>
<td>Private VET ↑ O/S</td>
<td>61.84%</td>
<td>55.24%</td>
<td>34.72%</td>
<td>210.12%</td>
</tr>
<tr>
<td>All HE ↑ O/S</td>
<td>2.91%</td>
<td>4.09%</td>
<td>11.63%</td>
<td>19.44%</td>
</tr>
</tbody>
</table>

Table 3: Overseas students studying onshore in VET & HE 2006 - 2009
Pressure on the sectoral divide

• Growth in market, but also changing institutional types
• Other Anglophone countries have a more unified higher education sector –
  – Australia’s differentiation between VET & HE unusual
• However, sectoral divide under pressure
  – Need more educated population & therefore pathways
  – Only 30% VET graduates end up in jobs associated with their qualification – makes it harder to argue for curricular differentiation
  – Markets leading to diversification – public sector must compete
  – COAG targets – need a bigger pool of qualified applicants
A new type of institution – mixed-sector

- Blurring sectoral divide resulting in new type of institution
- Single-sectors: more than 97% of student load in one sector
- Mixed-sectors: at least 3% but no more than 20% of student load in minority sector
  - Mixed sectors integrate vertically
- Dual-sectors: at least 20% but less than 80% of their student load in each sector
  - Separate teaching sectors
  - Set up corporate, academic structures etc (still grizzle)
- Why this matters – need economies of scale
Emergence of dual-sector & mixed-sector providers

• 5 dual-sector universities, talk about CQU
• Many universities registered as RTOs, have own commercial arm, or commercial relationship – often with private providers
• 11 TAFEs registered as HE providers, NSW TAFE system registered
  – All states except NT & Tasmania
• More than 80 private providers (we think)
  – Complex business models
Impact of sectoral divide on public & private providers

- Distinction been rigid because of different funding
  - Commonwealth HE, States VET – avoid cost-shifting
- Sectors become a key structuring principle of institutions, cultures, identities as well as curriculum
  - This has a bigger impact on public system
  - Sectoral divide being reproduced in mixed-sector TAFEs - inevitable
  - Less meaningful in private providers – less structured by sectors, issue is private/public & policies favour contestability
- But! Existing sectors still a constraint on growth of mixed-sector providers
  - Different curricular, regulatory, quality assurance & reporting requirements
What is needed to support a tertiary education system

• New AQF increase consistency within & between sectors
  – Universities stop treating AQF as a good suggestion
  – More curricular coherence – emphasise the educational purposes of VET qualifications & not just vocational purposes
• MCTEE – one ministerial council – helpful
• One regulator!!! Consistent regulatory & quality assurance
• Consistent student funding arrangements, reporting, counting & definitions
• Different industrial awards need sorting out
• Market will be constrained otherwise, must convince both sides of politics
Need more research on mixed-sector private providers

• Overall question: What do mixed-sector private providers look like, what is the nature of their provision & what impact is this having on the VET/HE sectoral divide?
  – How & why providers become mixed-sector, structures, governance, staffing, partnerships, pathways within institutions, & how different sectoral requirements managed
  – Nature of staff & student identities – VET, HE or something else?
  – Students’ purposes, aspirations & choices
  – How teachers understand their role, & extent to which it is shaped by the type of teaching they do

• Lots we don’t know, but clear private sector becoming more important